

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6717**

**BILL NUMBER: SB 138**

**NOTE PREPARED: Feb 8, 2005**

**BILL AMENDED: Feb 7, 2005**

**SUBJECT:** Provision for real estate purchase or lease by state colleges and universities.

**FIRST AUTHOR:** Sen. Meeks

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FIRST SPONSOR:**

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill increases from \$50,000 to \$100,000 the amount that a state college or university can pay to lease real estate without having the project reviewed by the Commission for Higher Education and the Budget Committee and approved by the Governor.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** Universities would be able to purchase or lease-purchase land, buildings, or facilities if the principal value is less than \$200,000 and lease real estate if the lease is less than \$100,000 without state review and approval. The current limits are \$100,000 for purchases of property and \$50,000 for leases of real estate. The impact is probably minor.

*Background:* Since July 1999, the Commission for Higher Education has reviewed 33 leases of which 9 were for \$100,000 or less and 26 purchases or lease purchase of property of which 12 were for \$200,000 or less.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Higher Education Commission, Budget Agency, Governor.

**Local Agencies Affected:**

**Information Sources:** Mike Baumgarten, Commission for Higher Education, (317) 464-4400

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.